

REC'D TN
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EXECUTIVE SECRETARY

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TN REG. AUTHORITY

JUL 25 2002

ENERGY & WATER DIVISION

July 23, 2002

Mr. Dan McCormac
Chief, Energy and Water Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Docket No: 02-00172 – Request for Information

Dear Mr. McCormac:

In response to your letter of July 19, 2002, requesting additional information, we are providing the following:

1. In our petition, the amount stated for average bonding costs is estimated to be \$4,482.00 for each homeowner. This amount was arrived at as follows:

Section 1.10, Paragraph three, Item #2 of the Williamson County Regulations for Wastewater Treatment and Land Disposal Systems (see attached) states:

2. Provide "back-up facilities that will duplicate the wastewater treatment and disposal system proposed. This will include all the additional treatment and land disposal systems necessary to provide 100% redundancy to the wastewater treatment and disposal system proposed.

A "back-up" system performance bond equal to 150% of the cost for the redundant system or the cost for connection to the publicly owned treatment works will be provided.

The only available option for On-Site Systems, Inc., is to post the performance bond equal to 150% of the cost for the redundant system. Based on current construction costs, the cost per home to build the treatment and disposal system is \$2,988.00 – 150% of that cost is \$4,482.00. Therefore, the amount of bond that On-Site Systems, Inc. must provide to Williamson County is \$4,482.00 per home.

2. Is the amount of the bond expected to increase in the future?

The Williamson County Planning Commission has indicated that once the bond amount is set, it will remain fixed for a period of at least ten (10) years after 80% build out of the subdivision.

Should you need anything further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles L. Pickney, Jr.", written in dark ink.

Charles L. Pickney, Jr.
President

**1.10 ASSURANCE FOR COMPLETION AND OPERATION OF
IMPROVEMENTS (BONDING REQUIREMENTS)**

It is the intention of these regulations that a performance bond be required for all projects utilizing an non-traditional wastewater treatment and disposal system, utilizing land as the disposal location for the wastewater. The bond shall be equal to 150% of the cost for the wastewater treatment and disposal system. This bond shall include the cost of all the facilities, land, and improvements to the land in order to build the wastewater treatment and land disposal system. The construction cost for all of the components of the wastewater collection, treatment and disposal system shall be included in the performance bond. This bond shall be in place for a minimum period of three (3) years after 80% build-out of the development or project.

Agent, Applicant, Developer shall be required to execute a performance agreement consistent with and in accordance with these regulations for the provision of the wastewater treatment and disposal system and maintenance which shall be in a form acceptable to the Authority and binding upon all heirs, successors, and assigns of Agent, Applicant and Developer. Such agreement shall be executed prior to preliminary plat approval.

Due to the relatively unproven reliability of land disposal systems within Williamson County, a "back-up" system or redundant wastewater treatment and disposal system must also be identified and bonded. The back-up or redundant system shall include one of the following:

1. Commitment from existing publicly owned treatment works (POTW) owned and operated by a public municipal utility to accept the wastewater from the wastewater treatment and disposal system in the event of failure or unacceptable operation of the wastewater treatment and disposal system which creates a public health and safety concern or;

2. Provide "back-up" facilities that will duplicate the wastewater treatment and disposal system proposed. This will include all the additional treatment and land disposal systems necessary to provide 100% redundancy to the wastewater treatment and disposal system proposed.

A "back-up" system performance bond equal to 150% of the cost for the redundant system or the cost for connection to the publicly owned treatment works will be provided. This performance bond shall provide sufficient money for all required modifications to the treatment system so the wastewater can be discharged to a publicly owned treatment works (including new sewer facilities and POTW connection fees), or a new treatment and disposal system can be constructed.

The "back-up" system performance bonds shall be in place for the anticipated design life of the wastewater treatment system but in no case shall the performance bond period be less than ten (10) years from 80% build-out of the development.

Applicable provisions of Section IV, "ASSURANCE FOR COMPLETION AND MAINTENANCE OF IMPROVEMENTS", of the Williamson County Subdivision Regulations, concerning the type of acceptable performance bonds and Williamson County Planning Commission's rights under the required bonds are incorporated herein and are made part of these regulations.

1.11 OWNERSHIP OF WASTEWATER TREATMENT AND DISPOSAL SYSTEM SITE

1. The wastewater treatment system, storage lagoons and land disposal site(s) and back-up disposal sites shall be owned and operated by the same entity. The treatment system and disposal site shall be dedicated or restricted so the only approved or acceptable use for the land disposal sites shall be for the purpose of providing wastewater treatment and disposal. The use of the land disposal sites as open space in the base site area calculations for subdivisions is prohibited. All of the components of the wastewater system, including the wastewater septic tanks, if required, collection systems, pumping stations, treatment systems and storage lagoons land disposal sites shall be owned and operated by the same entity.

2. All required wastewater utility easements shall be shown on plat or site plan. Easements shall be provided to allow access to all components of the treatment system, i.e., septic tanks, pipelines, etc.

3. If auxiliary disposal sites are proposed (over and above the minimum area required for satisfactory operation of the treatment and disposal system), these sites will not be required to be owned by the same entity as the wastewater treatment and disposal system. A written contract or agreement between the owner of the treatment system and the owner of the auxiliary disposal site will be required. The contract will require the owner of the auxiliary disposal site to adhere to all conditions and requirements placed on the use of the auxiliary disposal sites by TDEC and/or Williamson County.

1.12 AMENDMENTS

These Regulations may be amended as the public health, safety and general welfare require and in accordance with Tennessee Code Annotated Section 68-221-607(16) (1999).